

ORIGINAL



0000164262

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

SUSAN BITTER SMITH, Chairman
BOB STUMP
BOB BURNS
DOUG LITTLE
TOM FORESE

IN THE MATTER OF THE APPLICATION OF
MORENCI WATER & ELECTRIC COMPANY
FOR APPROVAL OF A RATE INCREASE.

) DOCKET NO. E-01049A-11-0300
)
)

IN THE MATTER OF THE APPLICATION OF
MORENCI WATER & ELECTRIC COMPANY
FOR THE ESTABLISHMENT OF JUST AND
REASONABLE RATES FOR ITS ELECTRIC
AND WATER DEPARTMENTS.

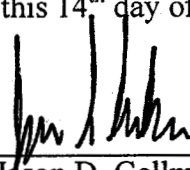
) DOCKET NO. W-01049A-11-0311
)
)

**NOTICE OF FILING
CALCULATION OF PPFAC RATE**

Pursuant to Decision No. 73737 (February 20, 2013) and the related approved Purchased Power and Fuel Adjustment Clause ("PPFAC") Plan of Administration – Morenci Water and Electric Company submits its calculation of the PPFAC rate to be in effect from December 1, 2015 through May 31, 2015.

RESPECTFULLY SUBMITTED this 14th day of October, 2015.

By



Jason D. Gellman
SNELL & WILMER, LLP.
One Arizona Center
400 East Van Buren Street, Suite 1900
Phoenix, Arizona 85004

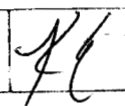
Attorney for Morenci Water & Electric Company

Arizona Corporation Commission

DOCKETED

OCT 14 2015

DOCKETED BY



1 Original and 13 copies of the foregoing
2 filed this 14th day of October, 2015, with:

3 Docket Control
4 Arizona Corporation Commission
5 1200 West Washington Street
6 Phoenix, Arizona 85007

7 Copy of the foregoing hand-delivered
8 this 14th day of October, 2015 to:

9 Dwight D. Nodes
10 Administrative Law Judge
11 Hearing Division
12 Arizona Corporation Commission
13 1200 West Washington Street
14 Phoenix, Arizona 85007

15 Janice M. Alward, Esq.
16 Chief Counsel, Legal Division
17 Arizona Corporation Commission
18 1200 West Washington Street
19 Phoenix, Arizona 85007

20 Thomas Broderick
21 Director, Utilities Division
22 Arizona Corporation Commission
23 1200 West Washington Street
24 Phoenix, Arizona 85007

25 Brian Bozzo
26 Manager of Compliance and Enforcement
27 Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

28 By *Jacklyn Howard*

MORENCI WATER & ELECTRIC COMPANY
Schedule PPFAC 1
PPFAC Adjustor Calculation

June 2015 Through November 2015
April 15 2015 Filing
June 1, 2015 Implementation

DESCRIPTION	PPFAC ADJUSTMENT PER KWH		
-----	-----		
(1) True-Up Component per Schedule PPFAC 2	-0.00370		
(2) Forward Component per Schedule PPFAC 3	-\$0.01475		
(3) Total PPFAC Adjustor Before Frozen Bank Surcharge (1) + (2)	-\$0.01845		
(4) Current PPFAC Adjustor	-\$0.01611		
(5) Increase (Decrease) in Adjustor (3)-(4)	-\$0.00234		
(6) Final PPFAC Adjustor (See Restrictions)	-\$0.01845		
(7) Frozen Bank Surcharge per Schedule PPFAC 6	\$0.00000		
(8) Total PPFAC Adjustor (6) + (7)	-\$0.01845		
		MONTHLY BILL	

(9) Average Residential Bill With Current Adjustor (595 kWh)	\$41.30	595	595
		0.07628	0.07628 **
(10) Average Residential Bill With Revised Adjustor	\$39.91	45.39	45.39
(11) Change in Monthly Bill	-\$1.39	-0.01611	-\$0.01845
		-9.59	-10.98
(12) Percentage Change	-3.37%		
		5.5	5.5
		45.39	45.39
		-9.59	-10.98
		41.30	39.91

PPFAC ADJUSTOR RESTRICTIONS:

Any calculated increase on line 5 is limited to \$0.00400 per kWh. There are no restrictions on calculated decreases.

If the amount on line (5) is less than \$0.00400 per kWh, amounts on lines (3) and (6) are equal.

**The 0.07628 is the base energy charge that consists of (1) the base fuel and purchased power cost of \$0.05000 and (2) the distribution charge of \$0.02628.

MORENCI WATER & ELECTRIC COMPANY
Schedule PPFAC 2
True-Up Component Calculation

December 2015 Through May 2016
October 15 2015 Filing
December 1, 2015 Implementation

DESCRIPTION	DATE OR PERIOD	PPFAC AMOUNTS
(1) PPFAC Balance Per FA-1 (Over) Under Collected	@ August 31, 2015	-\$56,082
(2) Projected KWh Sales - Per Schedule PPFAC 4	Dec 2015 - May 2016	15,175,956
(3) PPFAC True-Up Component Cost per kWh (1)/(2)	Dec 2015 - May 2016	-\$0.00370

MORENCI WATER & ELECTRIC COMPANY
Schedule PPFAC 3
Forward Component Calculation

December 2015 Through May 2016
October 15 2015 Filing
December 1, 2015 Implementation

DESCRIPTION	6 MONTH PERIOD	PPFAC AMOUNTS

From Schedule PPFAC 4:		
Projected Purchased Power Costs	Dec 2015 - May 2016	\$534,957
Projected kWh Sales	Dec 2015 - May 2016	15,175,956
(1) Projected Purchased Power Cost per kWh	Dec 2015 - May 2016	\$0.03525
(2) Base Cost of Purchased Power per kWh		\$0.05000
Forward Component per kWh (1)-(2)	Dec 2015 - May 2016	-\$0.01475

MORENCI WATER & ELECTRIC COMPANY
Schedule PPFAC 4
Forward Component Worksheet

December 2015 Through May 2016
October 15 2015 Filing
December 1, 2015 Implementation

JUNE 1, 2015 FORWARD COMPONENT DETAIL

MONTH	PROJECTED THIS YEAR			ACTUAL FOR PRIOR YEAR 2014		
	KWH SALES	PP COST	COST/KWH	KWH SALES	PP COST	COST/KWH
June	2,851,388	126,602	0.0444	3,820,341	188,333	0.0493
July	2,782,145	123,527	0.0444	3,403,418	159,700	0.0469
August	2,801,986	125,809	0.0449	4,372,385	199,987	0.0457
September	3,078,636	132,905	0.0432	3,117,073	144,190	0.0463
October	2,828,215	130,664	0.0462	2,928,272	134,960	0.0461
November	3,064,093	140,335	0.0458	1,949,369	92,346	0.0474
Total (1)	17,406,463	779,842	0.0448	19,590,858	919,517	0.0469

DECEMBER 1, 2015 FORWARD COMPONENT DETAIL

MONTH	PROJECTED 2015-16			ACTUAL FOR 2014-15		
	KWH SALES	PP COST	COST/KWH	KWH SALES	PP COST	COST/KWH
December	2,393,886	82,636	0.0345	2,370,184	98,700	0.0416
January	3,199,264	114,867	0.0359	3,167,588	123,481	0.0390
February	2,599,384	91,781	0.0353	2,573,648	97,432	0.0379
March	2,142,288	73,691	0.0344	2,121,077	80,010	0.0377
April	2,320,999	82,754	0.0357	2,298,019	86,661	0.0377
May	2,520,135	89,228	0.0354	2,495,183	96,164	0.0385
Total (1)	15,175,956	534,957	0.03525	15,025,699	582,448	0.0388

NOTE:

(1) Projected totals tie to Schedule PPFAC 2 and Schedule PPFAC 3

MORENCI WATER & ELECTRIC COMPANY
Schedule PPFAC 5
Actual vs Projected Purchased Power Cost

December 2015 through May 2016
October 15 2015 Filing
December 1, 2015 Implementation

MONTH	ACTUAL			PROJECTED (1)		
	KWH SALES	PP COST	COST/KWH	KWH SALES	PP COST	COST/KWH
June	3,058,651	128,620	0.0421	2,851,388	126,602	0.0444
July	4,030,319	144,593	0.0359	2,782,145	123,527	0.0444
August	3,802,437	118,921	0.0313	2,801,986	125,809	0.0449
September				3,078,636	132,905	0.0432
October				2,828,215	130,664	0.0462
November				3,064,093	140,335	0.0458
Total	10,891,407	392,134	0.0360	17,406,463	779,842	0.0448

MONTH	ACTUAL			PROJECTED (2)		
	KWH SALES	PP COST	COST/KWH	KWH SALES	PP COST	COST/KWH
December				2,393,886	82,636	0.0345
January				3,199,264	114,867	0.0359
February				2,599,384	91,781	0.0353
March				2,142,288	73,691	0.0344
April				2,320,999	82,754	0.0357
May				2,520,135	89,228	0.0354
Total				15,175,956	534,957	0.0353

NOTE:

- (1) Projected in April 15th, 2015 PPFAC Adjustor Filing
- (2) Projected In October 15th, 2015 PPFAC Adjustor Filing